12500-2

Paper Paperboard & Wood Pulp

MONTHLY STATISTICAL SUMMARY · Vol. 67 No. 7 JULY 1989

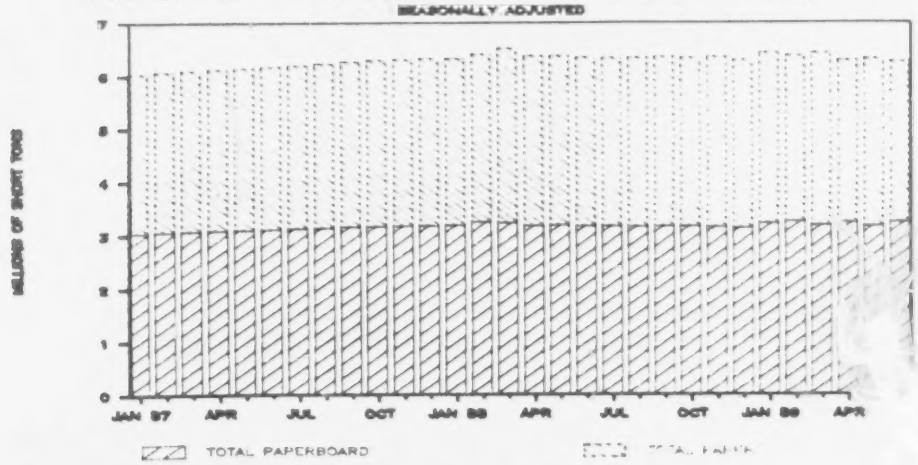
PRODUCTION: PAPER CONTINUES TO EASE; PAPERBOARD HOLDS STEADY

Evidence of a slowing economy continued to accumulate. Paper industry activity mirrors that slowdown. Total paper and paperboard output eased fractionally from the record-high plateau of the preceding five quarters, with paperboard production advancing marginally and paper production falling off slightly more. The seasonally-adjusted rate of total paper and paperboard production in the first half of 1989 was 0.5% below its year-ago level, with paper down 1.6% and paperboard up 0.6%.

Paper: Among the major paper grades, the largest decline was recorded in coated papers, with the first half total down 6.6% from its year-ago rate. Shipments to magazine and book publishers showed the greatest reductions, while declines in shipments to other periodical publishers, commercial printers and label and wrap manufacturers were more modest.

Shipments of uncoated free sheet papers have been trending downward throughout the first half of 1989, but the six months total was only 1.8% below its corresponding 1988 level. While shipments of these papers to office reprographic users, stationery and other converters were well above their year-ago levels, these gains did not totally offset the declines in shipments to other major markets.

PAPER & PAPERBOARD PRODUCTION: 1987–89



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Among the other paper grades, first half 1988 newsprint production held close to its year-ago level while tissue paper production showed a 2.6% gain. Although production of packaging and other industrial converting grades strengthened in June, their first half 1989 totals remained, on average, 4.3% below the year-ago level.

Paperboard: Unbleached kraft linerboard production for domestic use posted a year-to-year increase of 1.4% during the first six months of 1989, with the impetus coming from continued gains in box shipments. U.S. box shipments exceeded their year-ago rate by 0.5% in the first quarter of 1989 and by 3.2% in the second, bringing the six-month year-to-date increase to 1.8%. Linerboard exports, which ran 3.3% above their year-earlier rate in the January-May 1989 period, fell 16% in June, narrowing the six-months 1989 increase to 0.3%.

Other unbleached kraft paperboard posted a 5.0% gain during the first half of 1989, with the strong advance reflecting a 6.8% increase in unbleached kraft folding boxboard. Capacity utilization rates averaged 96% for total unbleached kraft paperboard during the first half of 1989, virtually unchanged from its year-ago rate.

Following the linerboard pattern, semichemical paperboard demand also benefited from this year's healthy box shipments, rising 1.6% from its year-ago level. Reflecting installation of additional capacity, operating rates for semichemical paperboard declined from 98% in the first quarter to 95% in the second.

Demand for recycled paperboard was off 2.7% during the first half of 1989, with weakness in gypsum wallboard and panelboard, both of which are tied to the construction cycle, partially responsible for the decline. Production of recycled folding boxboard posted a modest 0.5% gain.

Output of solid bleached paperboard was off 0.5% during the first half of 1989, but operating rates averaged 96.3% of capacity, which was about in line with year-ago. Paperboard milk cartons may be experiencing increased competition from plastic containers this year due to the recent easing of resin supplies. Production of milk carton stock was off 5.7% during the first half of 1989, according to API's Paperboard Group.

MARKET WOOD PULP

U.S. shipments of chemical paper grade market pulp, at 3.7 million tons through June 1989, were 2.9% ahead of their year-ago pace. A 4.9% drop in U.S. shipments to the domestic market was triggered by the 2.7% setback in printing-writing paper shipments, a major market for these grades of pulp. Strong export shipments of 2.3 million tons, 8% higher than their year-

Continued on Page 11

PAPER AND PAPERBOARD STATISTICS

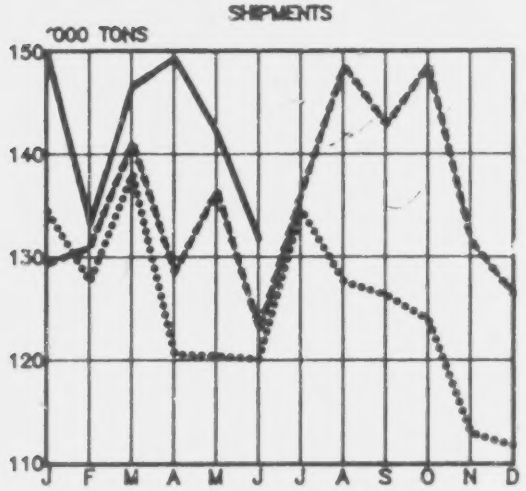
PRODUCTION, SHIPMENTS AND ORDERS
(Thousands of Short Tons)

	YEAR 1987	YEAR 1988	MARCH 1989	APRIL 1989 (R)	MAY 1989 (R)	JUNE 1989 (P)	Annual Rate Y-T-D 1989	% Change From same Period Last Year
PAPER								
Newsprint - Production	5,842	5,982	516	495	504	498	5,931	-0.8
- Shipments	5,854	5,969	509	487	510	498	5,877	-0.8
Printing & Writing Sum	20,778	21,793	1,893	1,718	1,782	1,660	21,249	-2.7
Groundwood Paper - Shipments	1,498	1,624	147	149	142	132	1,705	8.0
- New Orders	1,542	1,654	163	134	145	141	1,703	6.8
-Unfilled Orders	166	210	204	178	185	197	197	2.3
Coated Papers - Shipments	6,860	7,359	604	544	577	554	6,922	-6.6
- New Orders	7,066	7,404	599	505	610	609	6,943	-6.3
- Unfilled Orders	708	721	701	647	694	732	732	6.3
Unctd Free Sheet - Shipments	10,966	11,277	1,003	901	937	853	11,105	-1.8
- New Orders	11,173	11,314	1,015	866	863	877	10,874	-5.2
- Unfilled Orders	772	781	712	650	583	600	600	-27.2
Thin Papers - Shipments	240	217	18	18	17	15	196	-12.8
Cotton Fiber Paper - Shipments	163	167	15	14	14	13	165	-2.6
Bleached Bristols - Production	1,052	1,150	106	92	95	95	1,155	1.5
Tissue Paper - Production	5,301	5,476	503	451	474	466	5,592	2.6
Total Packaging & Other Paper	4,955	5,047	436	375	384	401	4,869	-4.3
Unbl. Kraft Paper - Shipments	3,070	3,037	264	218	229	248	2,932	-4.0
Other Paper - Production	1,884	2,010	173	157	155	154	1,937	-4.7
TOTAL PAPER-Production-Unadj.	36,876	38,298	3,348	3,038	3,144	3,026	37,640	-1.9
-Production-S.A.			3,258	3,056	3,152	3,046	37,740	-1.6
PAPERBOARD - PRODUCTION								
Solid Wood Pulp Furnish	28,859	29,316	2,549	2,412	2,530	2,505	29,667	1.2
Total Unbl. Kraft Paperboard	18,898	19,140	1,653	1,589	1,680	1,644	19,488	1.4
Unbl. Kraft Linerboard (1)	17,683	17,897	1,546	1,490	1,560	1,531	18,184	1.2
Production for Export	2,303	2,296	202	217	191	160	2,386	0.3
Other Unbl. Kraft Paperboard	1,215	1,244	108	99	121	113	1,304	5.0
Semichemical Paperboard	5,536	5,664	503	468	468	468	5,692	1.6
Production for Export	193	136	18	9	8	11	144	8.6
Solid Bleached Paperboard	4,406	4,511	392	356	382	393	4,486	-0.5
Production for Export	619	628	60	51	59	57	658	5.5
Recycled Paperboard	8,601	8,789	740	739	735	717	8,750	-2.7
Production for Export	75	72	3	3	3	3	35	-57.8
TOTAL PAPERBOARD-Prod.-Unadj.	37,442	38,105	3,290	3,150	3,265	3,222	38,416	0.3
- Containerboard Prod.(Dom. Use)	23,025	23,563	2,030	1,922	2,033	2,027	23,720	0.8
- Boxboard Prod.(Dom. Use)	6,969	7,066	611	582	598	613	7,121	0.6
- All Other P'bd Prod.(D.U.)	4,262	4,344	366	366	374	350	4,351	-2.9
- Total Paperbd Prod. for Export	3,190	3,132	283	281	261	231	3,223	0.1
TOTAL PAPERBOARD PROD.- S.A.			3,176	3,236	3,166	3,240	38,578	0.6
TOTAL PAPER AND PAPERBOARD								
Production - Unadj.	74,318	76,403	6,638	6,188	6,409	6,247	76,056	-0.8
Production - S.A.			6,434	6,292	6,319	6,286	76,318	-0.5

(1)Includes all exports of kraft paperboard. R - Revised P - Preliminary S.A. - Seasonally Adjusted

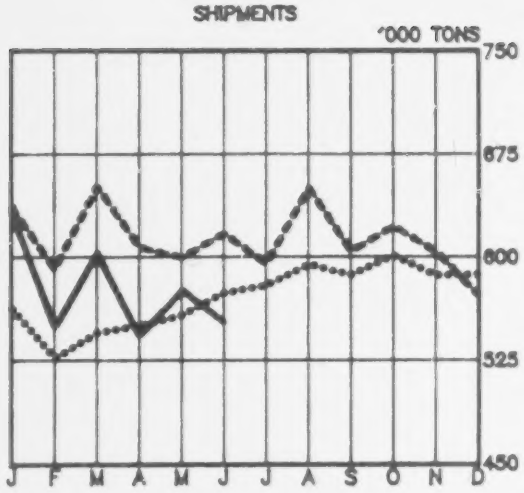
GROUNDWOOD PAPER, UNCOATED

SHIPMENTS



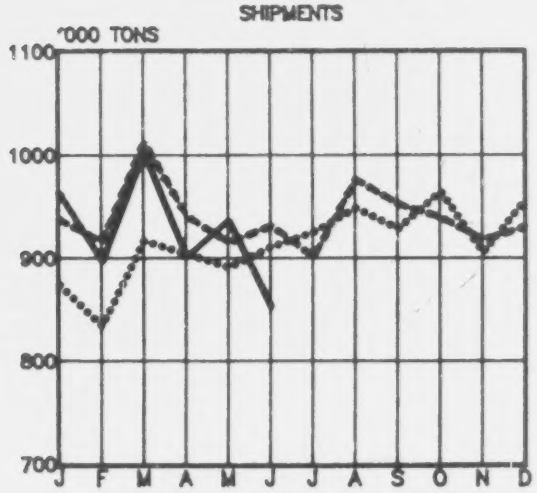
COATED PAPER

SHIPMENTS



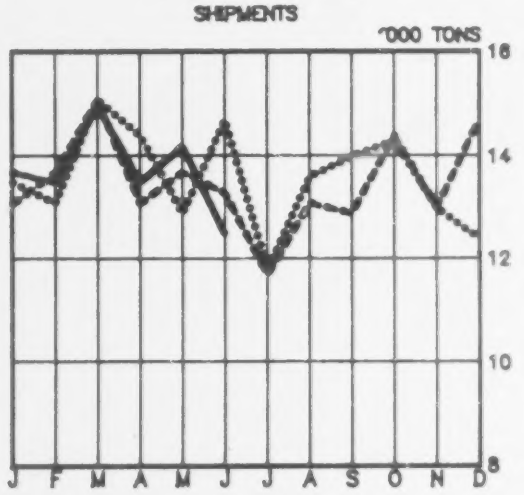
UNCOATED FREE SHEET PAPERS

SHIPMENTS



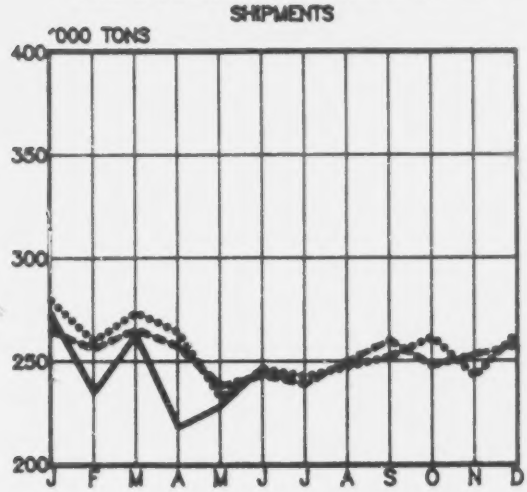
COTTON FIBER PAPER

SHIPMENTS



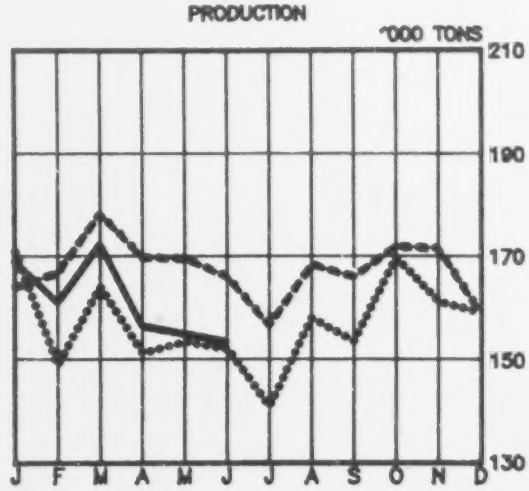
UNBLEACHED KRAFT PACKAGING AND INDUSTRIAL CONVERTING PAPER

SHIPMENTS



OTHER PAPER

PRODUCTION



1987 •••••••• 1988 - - - - - 1989 ——

WOOD PULP STATISTICS
(Thousands of Tons)

	YEAR 1987	YEAR 1988	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
TOTAL WOOD PULP					R	P		
Total Wood Pulp - Production	59,552	61,161	4,821	5,307	5,193	5,087	62,097	1.9
- Imports	4,850	5,038 A	395	466	418	420	5,114	1.8
- Exports	4,889	5,528	507	623	525	504	6,277	18.3
- New Supply	59,513	60,671	4,709	5,150	5,086	5,003	60,935	0.4
Dissolving Pulp - Production	1,312	1,367	102	142	106	109	1,406	8.2
- Imports	198	248	22	37	24	15	283	13.8
- Exports	752	865	69	86	68	66	823	4.4
- New Supply	757	751	56	93	63	59	865	14.0
Paper Grades - Production	48,293	49,493	3,935	4,286	4,209	4,125	50,347	2.1
Chemical Pulp - Imports	4,456	4,419 A	348	406	363	381	4,538	3.0
- Exports	4,111	4,612	432	530	451	435	5,380	20.6
- New Supply	48,637	49,300	3,851	4,162	4,121	4,071	49,505	0.5
Groundwood and - Production	5,702	5,943	438	502	512	497	5,924	-1.4
Thermo-Mech. - Imports	197	371 A	24	23	31	23	293	-20.6
- Exports	26	51	6	7	6	3	73	28.5
- New Supply	5,872	6,263	456	517	537	517	6,144	-2.8
Semi-Chemical - Production	4,246	4,358	346	378	366	356	4,420	1.7
- Imports								
- Exports								
- New Supply	4,246	4,358	346	378	366	356	4,420	1.7
MARKET WOOD PULP								
Total Market - Production	8,114	8,565	687	772	718	720	8,817	4.8
Wood Pulp - Imports	3,235	3,471	253	304	268	307	3,391	-0.1
- Exports	4,820	5,071	407	541	423	446	5,322	8.2
- New Supply	6,529	6,966	534	534	563	581	6,886	0.0
Dissolving Pulp - Production	1,308	1,365	102	141	105	108	1,399	7.8
- Imports	154	206	17	29	21	10	201	-5.4
- Exports	775	798	64	92	63	58	798	7.9
- New Supply	687	774	54	78	63	60	802	4.2
Paper Grades - Production	6,806	7,200	586	631	613	612	7,418	4.2
Chemical Pulp - Imports	2,975	3,126	234	269	238	290	3,120	3.9
- Exports	4,045	4,273	343	449	360	368	4,524	8.2
- New Supply	5,736	6,052	476	451	491	514	6,015	1.3
Groundwood Pulp - Production	0	0	0	0	0	0	0	0.0
and All Other - Imports RS	106	139	3	6	9	7	69	-61.5
- Exports	0	0	0	0	0	0	0	0.0
- New Supply	106	139	3	6	9	7	69	-61.5

SOURCES: Total Wood Pulp Production & Market Wood Pulp Production, Imports & Exports - Pulp Division, Pulp, Materials and Technology Group, API. Total Wood Pulp Imports & Exports - Department of Commerce.
NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

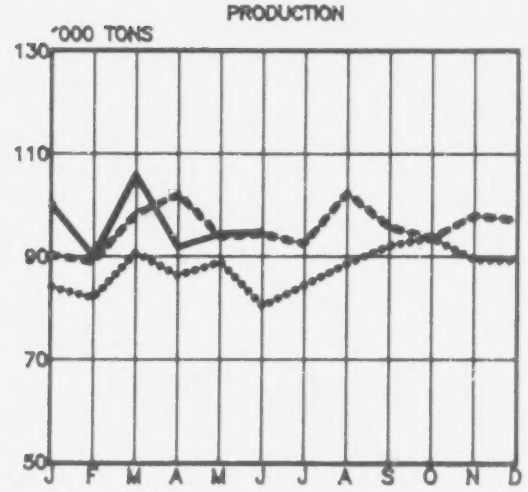
FIBROUS RAW MATERIALS
(Thousands of tons)

	YEAR 1987	YEAR 1988	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
CONSUMPTION AT PAPER & PAPERBOARD MILLS					R	P		
Total	77,468	79,707	6,281	6,884	6,686	6,697	80,395	0.9
Total Wood Pulp	59,474	60,847	4,783	5,269	5,131	5,073	61,500	1.1
Waste Paper	17,993	18,860	1,498	1,615	1,555	1,624	18,895	0.0
INVENTORIES								
Chemical Paper Grade Market Pulp								
Producers' Own-Use Inventories	170	172	178	179	190	162	162	1.4
Producers' Market Inventories	224	261	354	279	306	305	305	25.4
Consumers' Purchased Inventories ♦	529	622	608	592	596	628	628	22.6
Waste Paper at Paper & Bd. Mills	902	1,029	988	1,012	1,024	1,024	1,024	24.8
Days of Supply at Pulp Mills of Chemical Paper Grade Mkt Pulp	12	14	18	13	15	15	15	15.4

SOURCES: Wood Pulp Data, Pulp Division, Pulp, Materials and Technology Group, API. Waste Paper Data, Paper Recycling Committee, API. ♦ Includes all grades of wood pulp.
P - Preliminary; R - Revised; (0) - Indicates zero to five-hundred short tons RS - 1988 Revised Series

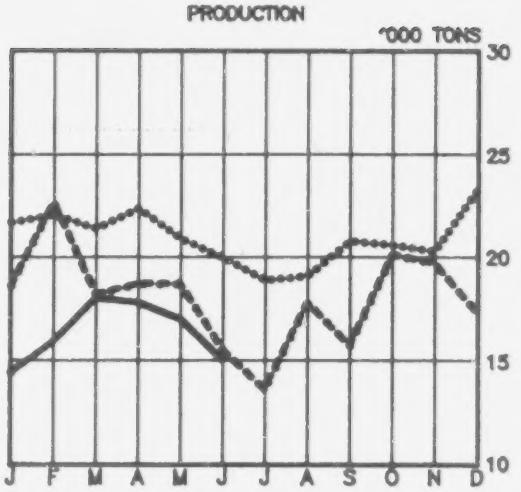
BLEACHED BRISTOLS

PRODUCTION



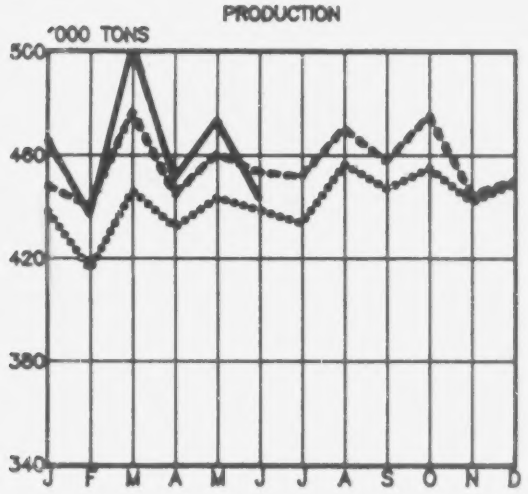
THIN PAPER

PRODUCTION



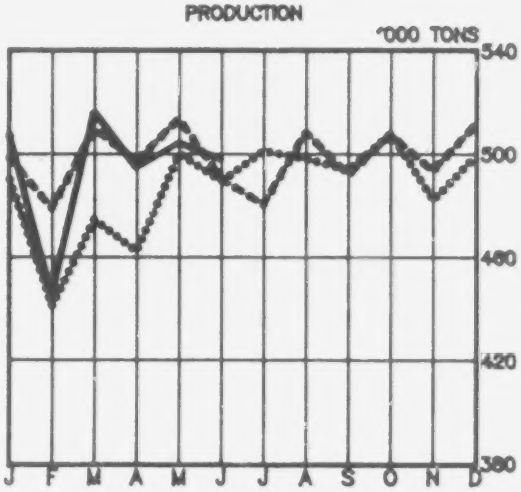
TISSUE PAPER

PRODUCTION



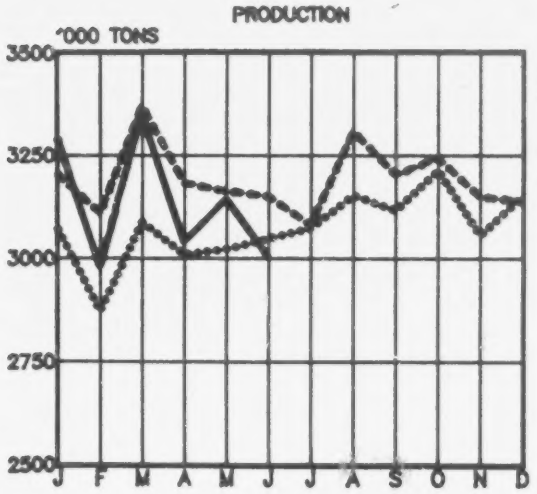
NEWSPRINT

PRODUCTION



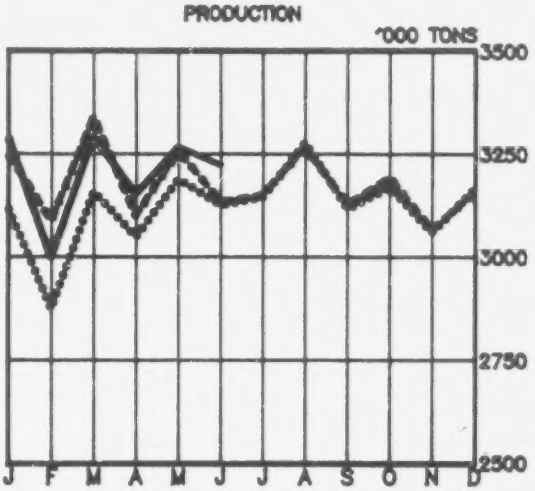
TOTAL PAPER

PRODUCTION



TOTAL PAPERBOARD

PRODUCTION



1987 ••••••• 1988 -•-•-•-1989 ———

F I B R O U S R A W M A T E R I A L S

(Thousands of Standard (128 cubic foot) Cords)

		YEAR 1987	YEAR 1988	FEBRUARY 1989	MARCH 1989	APRIL 1989	MAY 1989	Annual Rate Y-T-D 1989	% Change From Same Period Last Year
PULPWOOD									
Total U.S.	- Total Receipts	94,312	95,537	7,748	8,035	7,858	8,005	96,206	1.4
	- Total Consumpt	93,946	95,497	7,837	8,169	8,040	8,112	97,238	1.3
	- Residues *	32,899	33,186	2,746	2,776	2,761	2,867	33,706	0.7
	- Inventories	5,096	4,888	4,701	4,490	4,402	4,320	4,320	-2.3
So. Atlantic	- Total Receipts	31,147	31,582	2,542	2,558	2,670	2,646	31,634	1.4
	- Total Consumpt	30,915	31,567	2,623	2,660	2,719	2,646	32,186	2.3
	- Residues *	9,553	9,897	874	768	812	779	9,823	-2.5
	- Inventories	1,211	1,200	1,115	1,020	964	943	943	-9.4
Northeast	- Total Receipts	6,941	7,187	656	628	530	502	7,234	6.5
	- Total Consumpt	7,109	7,216	586	624	643	582	7,342	-3.0
	- Residues *	1,543	1,664	168	150	142	129	1,733	5.7
	- Inventories	594	572	685	667	533	418	418	4.0
South Central	- Total Receipts	33,650	33,751	2,628	2,989	2,829	2,958	34,322	2.7
	- Total Consumpt	33,059	33,646	2,743	3,032	2,750	3,025	34,728	3.4
	- Residues *	9,992	9,890	737	898	810	944	10,243	4.7
	- Inventories	1,294	1,160	953	974	1,061	986	986	-3.1
North Central	- Total Receipts	6,552	6,865	631	543	437	524	6,780	-5.0
	- Total Consumpt	6,764	6,929	561	576	588	599	7,020	-2.4
	- Residues *	1,263	1,334	119	136	107	125	1,442	3.8
	- Inventories	830	839	979	870	846	786	786	-3.9
West	- Total Receipts	16,022	16,152	1,291	1,317	1,392	1,375	16,236	-0.5
	- Total Consumpt	16,099	16,139	1,324	1,277	1,340	1,260	15,962	-1.5
	- Residues *	10,548	10,401	848	824	890	890	10,464	-1.0
	- Inventories	1,167	1,117	969	959	998	1,187	1,187	4.0

* - Consumption of Residues in Cord Equivalents. SOURCE: American Pulpwood Association 24-Jul-89

U N I T E D S T A T E S T R A D E W I T H C A N A D A

IMPORTS FROM CANADA

	YEAR Tons	1988 ($000's)	APRIL 1989 Tons	APRIL 1989 ($000)	MAY 1989 Tons	MAY 1989 ($000)	Annual Rate Y-T-D 1989 Tons	% Change From Same Period Last Year
Pulpwood, Roundwood (in cords of 128 cubic feet)	39,337	4,195	0	0	0	0	120,979	237.2
Pulpwood chips	876,038	35,184	73,429	3,230	59,158	1,849	982,782	17.7
Wood Pulp, Total	A 4,340,245	2,282,329	358,018	212,541	337,298	202,954	4,459,674	3.9
Waste Fibrous Materials, Total	227,004	48,450	15,829	3,151	11,195	1,865	185,134	-26.0
Paper, Board & Products, Total	A 10,497,185	5,715,612	897,394	508,977	968,348	537,179	10,956,929	1.2
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	A 10,348,278	5,458,084	885,684	483,300	955,901	512,299	10,774,747	0.9
Paper, Paperboard & Products	A 10,283,277	5,649,813	887,003	505,949	957,741	534,291	10,770,174	1.3
Paper & Paperboard, Only	A 10,134,369	5,392,286	875,292	480,271	945,293	509,411	10,587,992	1.0
Paper, Total	A 9,869,253	5,295,796	842,050	467,407	902,810	492,296	10,182,657	-0.4
Newsprint	A 8,284,709	4,320,023	667,129	351,849	722,824	371,306	8,053,409	-6.7
Printing, Writing & Rel. Pap.	A 1,304,003	807,306	152,886	99,898	153,440	102,014	1,886,776	40.5
Pack. & Ind. Conv. Paper	227,493	120,765	15,413	8,499	18,579	10,279	2[illegible],956	-8.8
Special Industrial Paper	4,767	9,106	2,652	3,632	3,833	5,000	37,897	721.1
Tissue Paper	48,281	38,596	3,970	3,530	4,135	3,697	55,620	7.5
Paperboard, Total	265,116	96,490	33,243	12,865	42,483	17,114	405,335	53.7
Convtd Paper&Paperbd Products	148,908	257,528	11,710	25,677	12,448	24,880	182,182	23.4
Wet Machine Board	2,939	2,120	46	45	66	50	324	-89.8
Construction Paper & Board	210,970	63,679	10,346	2,984	10,542	2,838	186,431	-3.2

NOTE: A - API shifted Import data from January 1989 to December 1988 to compensate for misallocation of reported data.

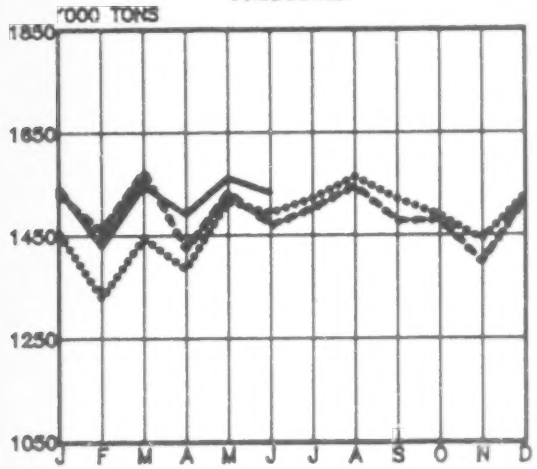
EXPORTS TO CANADA

Pulpwood, Roundwood (in cords of 128 cubic feet)	14,180	836	6,047	90	3,527	208	23,038	24.5
Pulpwood chips	33,040	1,739	1,822	84	2,169	89	21,178	-59.6
Wood Pulp, Total	280,074	101,214	24,957	10,843	17,949	7,830	282,370	4.7
Cotton Pulp & Other Pulp	84,891	24,062	476	364	517	394	7,111	-91.9
Waste Paper	331,999	38,199	26,322	3,284	30,424	3,172	325,704	6.0
Paper, Board & Products, Total	1,050,117	715,960	86,430	63,306	93,786	69,595	938,695	-17.0
Paper, Paperboard,Wet Machine Bd. & Constr. Paper & Bd.	773,973	464,416	63,768	41,591	63,128	45,567	648,307	-21.2
Paper, Paperboard & Products	1,013,157	699,127	84,899	62,580	92,764	69,096	920,433	-16.0
Paper & Paperboard, Only	737,013	447,583	61,737	40,865	62,106	45,068	630,644	-22.1
Paper, Total	340,156	293,175	29,558	27,838	34,575	34,210	332,890	-11.6
Newsprint	5,806	5,304	708	569	615	272	6,257	88.2
Printing, Writing & Rel. Pap.	166,667	160,007	18,086	17,667	22,157	22,271	206,878	16.4
Pack. & Ind. Conv. Paper	41,718	29,572	4,869	2,391	5,081	2,962	47,911	12.8
Special Industrial Paper	118,806	90,276	5,419	6,483	5,979	7,570	65,939	-55.3
Tissue Paper	7,160	8,016	477	728	743	1,135	5,905	9.5
Paperboard, Total	396,857	154,408	32,179	13,027	27,531	10,858	297,754	-31.3
Convtd Paper&Paperbd Products	276,145	251,544	23,161	21,715	30,658	24,028	289,789	1.0
Wet Machine Board	6,527	2,590	16	6	182	68	1,790	-72.5
Construction Paper & Board	30,433	14,243	2,015	720	841	431	15,873	-42.7

SOURCE: Bureau of Census, Department of Commerce . E - Estimate of tonnage based on square foot data 24-Jul-89

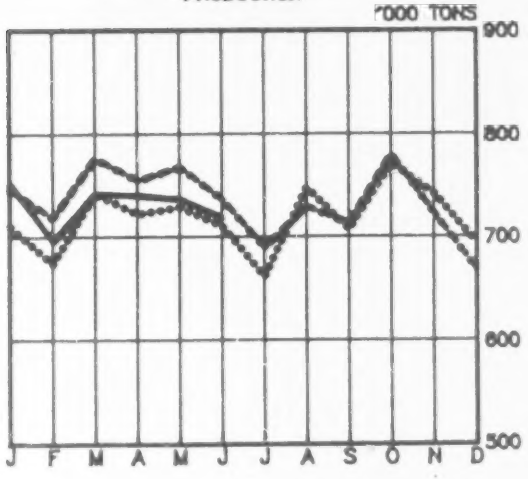
UNBLEACHED KRAFT LINERBOARD

PRODUCTION



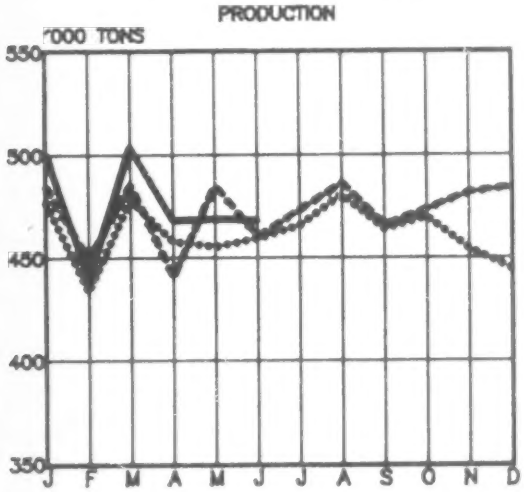
RECYCLED PAPERBOARD

PRODUCTION



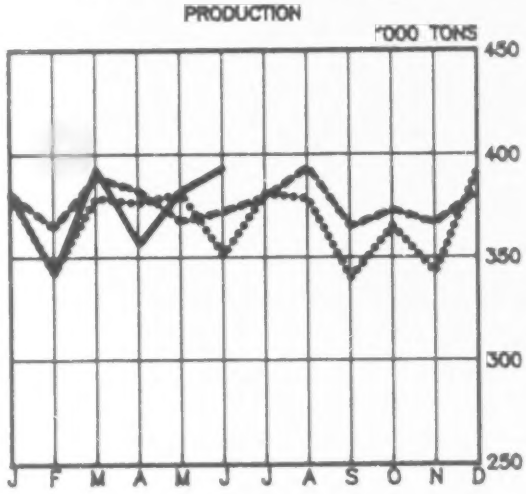
SEMICHEMICAL PAPERBOARD

PRODUCTION



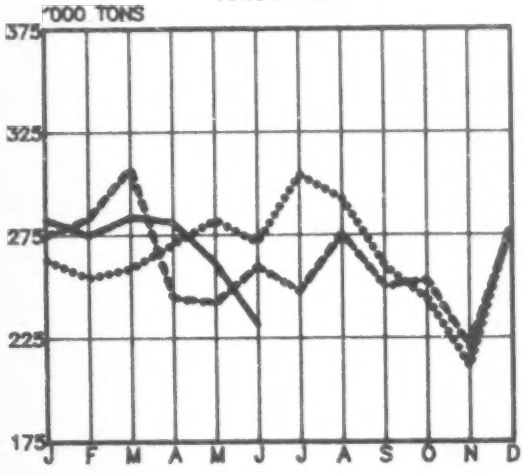
SOLID BLEACHED PAPERBOARD

PRODUCTION



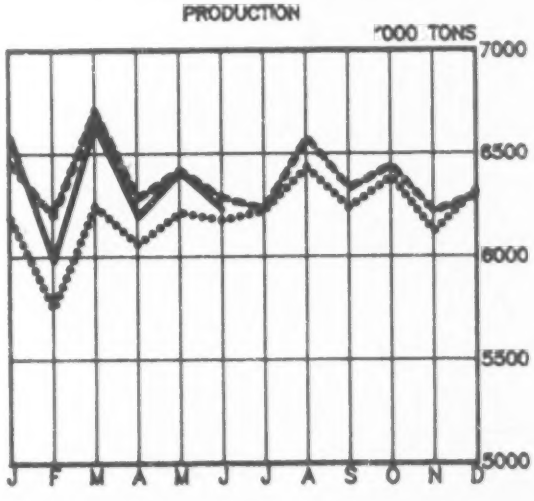
PAPERBOARD FOR EXPORT

PRODUCTION



TOTAL PAPER AND PAPERBOARD

PRODUCTION



1987 ••••••• 1988 ▬▬▬ 1989 ——

I M P O R T S

		YEAR Tons	1988 $000	1989 APRIL Tons	1989 APRIL $000	1989 MAY Tons	1989 MAY $000	(1) Annual Rate YTD 1989 Tons	% Change from same Period Last Year
Pulpwood Roundwood (cords)		39,515	4,200	0	0	0	0	120,979	237.2
Pulpwood Chips		888,636	35,553	73,473	3,233	64,551	2,008	1,002,186	18.5
Total All Imports	A	18,402,259	10,725,164	1,495,075	938,098	1,593,149	953,916	18,479,704	-0.1
Wood Pulp Total	A	5,038,158	2,663,424	418,213	249,482	419,393	227,482	5,114,449	1.8
Waste Paper		161,367	27,361	16,546	3,266	11,461	1,937	199,451	12.7
Other Fibrous Materials		92,505	32,331	1,155	1,105	1,227	982	15,321	-83.7
Paper Board & Products Total	A	13,110,229	8,002,047	1,059,161	684,245	1,160,569	723,515	13,141,992	-0.4
Paper Paperboard Wet Machine Bd. & Construction Paper & Board	A	12,679,974	6,989,006	1,018,713	599,350	1,104,745	639,479	12,544,826	-2.0
Paper Ppbd & Prds ex Cnst&WMB	A	12,787,784	7,893,637	1,045,160	680,049	1,146,896	719,471	12,912,924	0.1
Paper & Paperboard Only	A	12,357,530	6,880,596	1,004,711	595,153	1,091,072	635,435	12,315,759	-1.5
Paper Total	A	12,016,519	6,749,882	965,761	576,463	1,043,215	612,074	11,848,115	-2.6
Newsprint	A	8,801,503	4,569,853	674,252	355,863	742,098	380,234	8,241,127	-7.9
Printing & Writing	A	2,812,259	1,899,745	254,859	182,236	258,616	189,574	3,100,245	9.8
Uncoated Groundwood		1,362,642	792,881	136,292	80,982	125,670	76,199	1,594,186	9.4
Coated Print.& Impreg. Pap.	A	797,765	641,466	62,777	52,008	79,662	65,132	751,250	0.7
Uncoated Free Sheet	A	591,830	414,326	44,717	36,489	41,782	34,875	600,397	8.1
Uncoated Book	A	258,146	175,746	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.	N.L.R.
Writing and Similar Paper	A	333,683	238,580	44,717	36,489	41,782	34,875	600,397	84.2
Thin (except Cigarette)		55,774	48,804	5,643	6,782	6,807	7,799	91,978	46.8
Bristols		4,247	2,269	5,430	5,974	4,695	5,570	62,434	7090.2
Total Pkg & Other Paper		343,196	231,796	26,868	29,434	33,809	34,390	392,787	20.5
Unbleached Kraft Paper		161,708	76,116	16,153	7,888	20,099	9,710	238,208	40.6
Other Pkg. & Indust. Paper		181,488	155,680	10,715	21,546	13,710	24,680	154,578	-1.3
Tissue		59,561	48,488	9,784	8,929	8,692	7,875	113,957	63.0
Paperboard, Total		341,011	130,714	38,950	18,691	47,857	23,361	467,644	35.6
Test or Containerboard		85,682	36,145	1,881	780	8,864	3,299	69,628	-3.5
Semi-Chemical Corrugating		142,490	43,596	12,855	4,112	12,250	4,045	132,385	-13.4
Other Paperboard		112,839	50,972	24,213	13,798	26,743	16,017	265,631	121.7
Convtd Paper&Paperbd Products		430,255	1,013,041	40,449	84,896	55,824	84,036	597,166	50.0
Paper Products, Total		393,089	944,974	31,464	69,452	47,885	69,920	489,774	35.5
Paperboard Products, Total		37,166	68,067	8,985	15,443	7,939	14,116	107,392	194.1
Wet Machine Board		4,239	3,780	73	92	71	61	540	-87.8
Construction Paper & Board		318,206	104,630	13,928	4,105	13,602	3,984	228,527	-19.9
Notes									
Other: No Weight Avail. ($000)			177,686		9,204		12,085	117,365	-32.3
Total Imports Incl. Other($000)			10,902,850		947,302		966,001	11,423,443	7.5

NOTE: A - API shifted import data from January 1989 to December 1988 to compensate for misallocation of reported data.

E X P O R T S

								(1)	
Pulpwood, Roundwood (cords)		15,470	894	16,820	231	10,714	718	105,816	415.6
Pulpwood Chips		3,503,190	286,191	375,946	31,634	486,428	45,084	4,489,892	46.5
Total All Exports		17,061,208	7,467,363	1,546,102	726,088	1,675,922	761,467	18,936,657	14.5
Wood Pulp,Total		5,528,292	2,914,521	524,576	297,982	503,863	285,211	6,276,508	18.3
Cotton Pulp and Other Pulp		201,567	111,923	16,425	14,260	7,574	6,657	129,019	-41.5
Waste and Old Paper		5,640,118	688,258	512,583	63,189	571,248	72,926	6,139,381	15.8
Paper, Board & Products,Total		5,691,231	3,752,661	492,518	350,657	593,237	396,673	6,391,748	11.9
Paper,Paperboard,Wet Machine Bd. & Construction Paper & Board		4,876,563	2,701,405	408,224	244,917	493,010	285,056	5,344,298	9.2
Paper, Ppbd & Prod ex Cnst&WMB		5,539,356	3,683,601	488,784	349,217	591,181	395,675	6,355,926	13.9
Paper & Paperboard, Only		4,744,688	2,632,346	404,491	243,477	490,954	284,058	5,308,476	11.4
Paper, Total		1,102,490	988,031	108,274	103,833	142,974	123,886	1,460,597	38.1
Newsprint		427,296	295,474	42,068	25,364	54,783	31,416	630,634	92.2
Printing & Writing		287,208	313,047	36,023	36,906	47,077	46,697	452,188	54.1
Uncoated Groundwood		70,286	58,639	6,731	4,725	9,372	6,611	90,292	32.7
Clay Coated Paper		97,464	79,731	10,907	9,344	17,004	14,219	140,265	36.6
Uncoated Free Sheet		82,660	124,049	6,365	8,760	9,423	13,028	84,639	3.7
Other Printing & Writing		36,799	50,629	12,021	14,077	11,277	12,839	128,992	266.7
Total Pkg. & Other Paper		346,718	342,117	27,878	38,249	38,199	41,833	353,784	-6.0
Unbleached Kraft		110,075	54,975	8,725	4,395	9,359	4,924	114,332	12.3
Other Pkg. & Indust. Paper		236,643	287,142	19,153	33,854	28,840	36,909	239,452	-12.7
Tissue		41,268	37,393	2,304	3,315	2,915	3,940	23,991	-59.9
Paperboard, Total		3,642,198	1,644,314	296,217	139,645	347,980	160,172	3,847,880	3.7
Solid Wood Pulp		3,359,078	1,511,057	282,477	132,833	333,826	153,609	3,668,941	7.7
Total Linerboard		2,281,362	887,846	186,211	70,119	245,224	91,700	2,628,880	12.7
Bleached Kraft Linerboard		140,801	73,728	18,796	8,256	12,948	6,078	261,919	69.3
Unbleached Kraft Linerbd		2,140,562	814,119	167,415	61,862	232,276	85,623	2,366,961	8.7
Other Unbleached Kraft		292,437	102,638	23,835	10,827	20,097	9,493	238,719	-24.8
Other Bleached Kraft		742,918	502,513	69,189	50,467	66,895	50,829	774,587	10.3
Semi-Chemical Corrugating		42,360	18,060	3,242	1,421	1,610	1,587	26,756	-52.0
Recycled Paperboard		283,121	133,257	12,740	6,812	14,154	6,564	178,939	-40.5
Convtd Paper&Paperbd Products		814,668	1,051,256	84,293	105,740	100,227	111,617	1,047,449	28.6
Paper Products, Total		367,548	682,281	38,627	68,593	40,649	69,989	467,486	30.3
Paperboard Products, Total		447,121	368,975	45,666	37,147	59,579	41,628	579,963	27.3
Wet Machine Board		11,691	4,915	59	30	406	155	3,078	-75.6
Construction Paper & Board E		120,184	64,145	3,674	1,409	1,650	843	32,744	-71.8
Notes									
Other: No Weight Avail. ($000)			9,170		1,810		2,095	17,714	112.7
Total Exports Incl. Other($000)			7,476,533		727,898		763,562	8,638,100	21.1

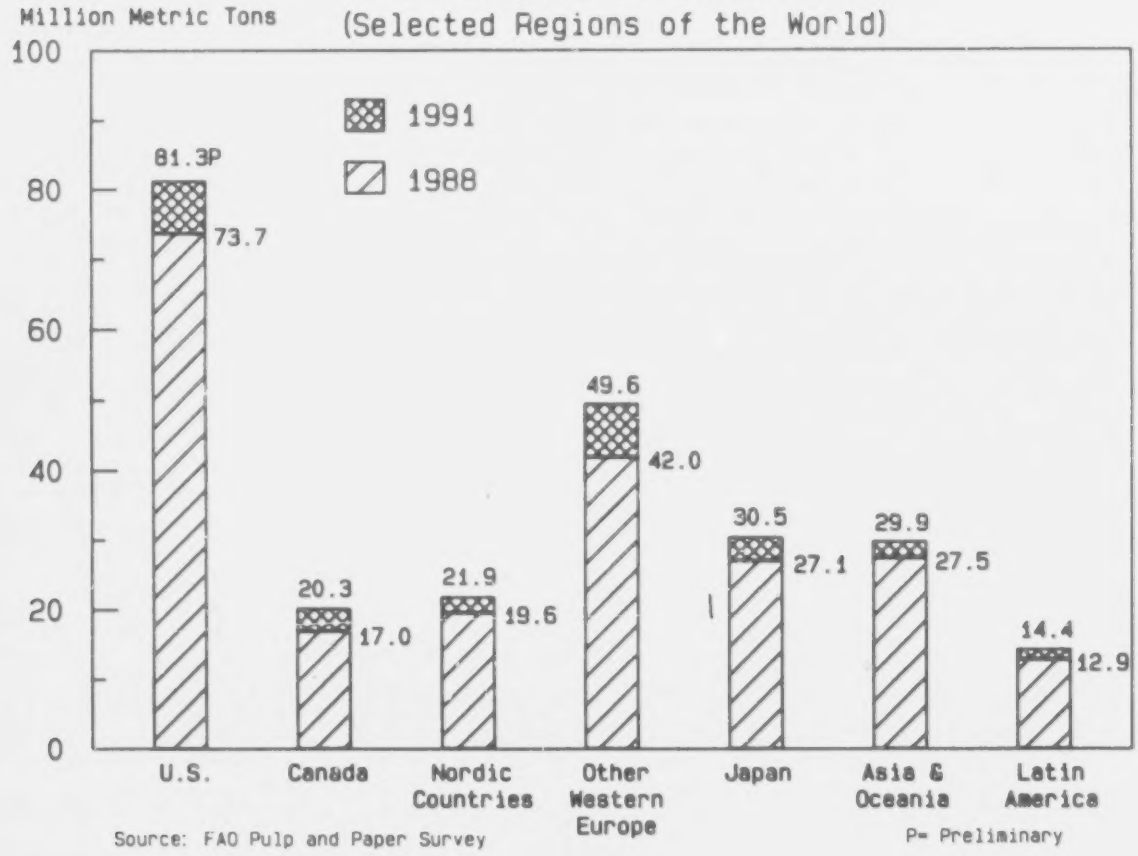
SOURCE: Bureau of Census, U.S. Department of Commerce. E - Incl. estim. of tonnage based on square foot data.
(1) Annual Rate Year-To-Date is in tons unless otherwise specified in item description. N.L.R. - No longer reported.

PRODUCER PRICE INDEXES
1982 = 100

	1987	1988	MARCH 1989	APRIL 1989	MAY 1989	JUNE 1989	Annual Rate Y-T-D 1989	% Change from same Period Last Year
Pulp, Paper and Products except Building Grades	114.3	124.8	132.0	132.7	133.3	133.1	132.0	8.0
Pulp Paper & Products, ex. Building Grades & ex Waste Paper *	113.2	123.8	131.6	132.3	132.9	132.7	131.5	8.7
Total Wood Pulp	111.5	136.7	153.4	155.7	158.4	158.3	154.9	18.7
Total Paper	111.5	123.2	130.7	131.3	131.0	131.0	130.5	8.4
Total Paper, exc. Newsprint	110.6	123.4	131.4	132.1	132.3	132.3	131.5	9.8
Newsprint	112.3	127.6	128.3	128.2	124.1	123.4	126.1	-1.3
Total Paperboard	118.1	133.2	141.6	143.8	143.5	141.3	141.1	8.0
Total Paper and Paperboard *	113.6	126.4	134.1	135.2	134.9	134.2	133.8	8.3
Converted Products	114.7	123.0	130.3	130.5	131.8	131.9	130.3	8.2
Waste Paper	181.4	183.6	158.2	159.1	158.2	157.7	158.2	-16.7
All Commodities	102.8	106.9	111.5	112.3	113.1	112.8	111.8	5.9
Industrial Commodities	102.6	106.3	110.6	111.7	112.4	112.3	111.1	5.5

SOURCE: Producer Price Indexes: Bureau of Labor Statistics, U.S. Department of Labor * Computed by API

PAPER AND PAPERBOARD CAPACITY
1988 and 1991
(Selected Regions of the World)



Source: FAO Pulp and Paper Survey

P= Preliminary

ago volume in the January-June 1989 period, more than offset the decline in shipments to the domestic market. Japan (with shipments from U.S. producers up 29%), Asia/Africa (up 11%) and Western Europe (up 8%) continue to play major roles in this export market. Latin America has been diminishing in importance and is now importing 35% less chemical paper grade market pulp from the U.S. than it did in the first half of last year.

The capacity utilization rate of U.S. chemical paper grade market pulp producers rebounded to 101% in June, after slipping to a revised rate of 96% in May, and is now closer to the higher rates observed in January and February of 103% and 102%, respectively. The six-month 1989 rate averaged a strong 99% of capacity.

Consumers' purchased pulp inventories jumped to 628,000 tons in May from April's 596,000 tons, reaching the upper end of their recent range. The May level was equivalent of 40 days of supply, the highest rate since April 1985.

WORLD PAPER AND PAPERBOARD CAPACITY OUTLOOK

World capacity to produce paper and paperboard is slated to increase by 28.6 million metric tons from 1988 levels to reach 271.2 million tons in 1991, according to this year's Food and Agriculture Organization (FAO) Capacity Survey. The anticipated growth in world paper and paperboard capacity averages 3.8% a year for the 1988-91 period, versus 3.4% a year during 1984-88.

7.6 million tons, or 26.6% of the total projected expansion, are slated for installation in the U.S. Additionally, the FAO Survey indicates that regional paper and paperboard capacity growth will be especially rapid in Canada, Western Europe, and Japan during the next three years. (See graph on page 10.) Canadian paper and paperboard capacity is projected to increase at a 6.0% average annual rate from 1988 to 1991, which will lift Canada's share of world paper and paperboard capacity from 7.0% to 7.5%. The planned increases in Canadian capacity are mostly in the newsprint and printing-writing paper grades.

Paper and paperboard capacity in Western Europe (excluding the Nordic nations) will increase from 42.0 million metric tons in 1988 to 49.6 million tons in 1991, for an average annual growth rate of 5.7%. Capacity expansion in the region will be focussed in the printing-writing grades (9.1% a year, 1988-91), newsprint (4.2% a year), and linerboard (4.0% a year). Significant recycled linerboard capacity expansions are planned for France, Germany, and Spain. On the other hand, very little new linerboard capacity is in the offing for the Nordic countries.

Japan's paper and paperboard capacity is projected to increase 3.9% a year during 1988-91, representing a slight acceleration from the 3.7% rate of growth recorded during the previous four years. Japan accounted for 11.2% of world paper and paperboard capacity in 1988, which was second only to the 30% share held by the U.S.

The two major grades expected to experience the most rapid growth during the next two years are printing-writing papers and newsprint. World capacity to produce printing-writing papers is projected to expand at an average rate of 4.9% a year from 1988 to 1991, versus 5.3% a year during the 1984-88 period. The FAO Survey indicates that Canada will expand its printing-writing paper capacity from 3.0 million metric tons in 1988 to 4.3 million tons in 1991, which corresponds to an average annual growth rate of 12.2%. By comparison, U.S. printing-writing paper capacity is slated to increase 4.1% a year during the 1988-91 period, the same rate of increase recorded during the previous four years.

The FAO Survey places 1988-91 global newsprint capacity growth at 4.7% a year, a marked acceleration from the 2.4% rate of growth that obtained from 1984 to 1988. Growth of total U.S./Canadian newsprint capacity will accelerate from 0.8% annually during the 1984 to 1988 period to 4.9% a year in the 1988-91 time frame.

World linerboard capacity, both kraft and recycled, is scheduled to grow at an average rate of 3.5% a year from 1988 to 1991, versus 3.9% a year during the prior four years. The Nordic nations increased their linerboard capacity at a 3.6% annual rate from 1984 to 1988, but the region's pace of linerboard capacity expansion will slow to 1.2% a year (1988-91), according to the FAO. On the other hand, growth in Latin America is anticipated to accelerate from 2.5% a year (1984-88) to 5.8% a year (1988-91). Both Mexico and Brazil are slated to add significant linerboard capacity during the next few years.

Worldwide capacity to produce folding boxboard will grow 2.8% a year (1988-91), according to the FAO Survey, down from 3.4% a year during the preceding four years. However, U.S. folding boxboard capacity is projected to grow 2.2% a year from 1988 to 1991, virtually matching its growth pace of the previous four years.

The API International Department has a limited number of copies of the 1989 edition of the U.N. Food and Agriculture Organization's annual report on World Pulp and Paper Capacities and companion reports on Estimated Production and Mill Expansions. API members can obtain the three reports from the International Department (212-340-0641) for $10.00, to cover shipping costs from FAO, Rome.

INDUSTRY FACT SHEET

AMERICAN PAPER INSTITUTE, INC.
260 Madison Avenue
New York, New York 10016

July 28, 1989

PRODUCTION (000 TONS)

	(P) JUNE 1989	MAY 1989	JUNE 1988	FIRST 6 MONTHS 1989	FIRST 6 MONTHS 1988	% CHANGE YR TO DATE 1989/1988
PAPER GRADES						
Newsprint	498	504	490	2,966	2,989	-0.8
Printing & Writing	1,660	1,782	1,797	10,624	10,919	-2.7
Uncoated Groundwood (s)	132	142	123	852	790	8.0
Coated Paper (s)	554	577	618	3,461	3,708	-6.6
Uncoated Free Sheet Paper (s)	853	937	932	5,553	5,656	-1.8
Thin Paper (s)	15	17	16	98	112	-12.8
Cotton Fiber Paper (s)	13	14	14	82	85	-2.6
Bleached Bristols (s)	95	95	95	578	569	1.5
Tissue Paper	466	474	454	2,796	2,725	2.6
Total Pkg & Other Paper	401	384	410	2,434	2,543	-4.3
Unbl. Kraft Paper (s)	248	229	244	1,466	1,527	-4.0
Other Paper	154	155	166	968	1,016	-4.7
TOTAL PAPER	3,026	3,144	3,150	18,820	19,176	-1.9
PAPERBOARD GRADES						
Unbleached Kraft Paperboard	1,644	1,680	1,566	9,744	9,605	1.4
Unbleached Kraft Linerboard	1,531	1,560	1,468	9,092	8,984	1.2
Other Unbl. Kraft Paperboard	113	121	98	652	621	5.0
Semichemical Paperboard	468	468	460	2,846	2,800	1.6
Bleached Paperboard	393	382	372	2,243	2,254	-0.5
Recycled Paperboard	717	735	735	4,375	4,494	-2.7
TOTAL PAPERBOARD	3,222	3,265	3,132	19,208	19,153	0.3
TOTAL PAPER AND PAPERBOARD	6,247	6,409	6,283	38,028	38,329	-0.8

WOOD PULP (ALL GRADES)	MAY 1989	APRIL 1989	MAY 1988	FIRST 5 MONTHS 1989	FIRST 5 MONTHS 1988	% Change 89/88
Dissolving & Special Alpha	109	106	113	586	541	8.2
Bleached Sulfite)	128	134	126	651	638	2.1
Unbleached Sulfite)						
Bleached & Semi-Bl. Sulfate	2,192	2,289	2,070	11,315	10,821	4.6
Unbleached Sulfate	1,805	1,786	1,791	9,012	9,089	-0.8
Semichemical	356	366	373	1,842	1,811	1.7
Groundwood & Thermomechanical	497	512	507	2,468	2,502	-1.4
TOTAL PULP DIVISION DATA	5,087	5,193	4,979	25,874	25,402	1.9

(s) - Shipments
P - Preliminary

JULY 31, 1989

	Full Year		INDUSTRY DATA 1988 - 1989			Ann. Rate Year - To - Date	% From Same Pd. Last Year
			R	P			
PAPER AND PAPERBOARD -- Tons (000)	1987	1988	April	May	June	1989	
Total Production (API)..... : excluding :	74,317	76,403	6,189	6,409	6,247	76,057	-0.8
Total Seasonally Adjusted....:construction:			6,292	6,319	6,286	76,318	-0.5
Imports (including Products).: and wet :..E	12,528	12,788	1,045	1,247	1,070	12,901	0.3
Exports (including Products).: machine :..E	5,197	5,559	489	591	510	6,317	12.8
Apparent Consumption..... : grades :...	81,648 a	83,631 b	6,848	6,875	6,846	82,541 c	-1.6
Paper Production % Tonnage Capacity.....	93.7 g	95.1	90.4	89.8	89.3	92.5	-
Paperboard Production % Tonnage Capacity.....	96.8 g	96.4	94.0	93.5	95.3	94.7	-
			March	April	May		
IMPORTS.....:Including Construction and :...	12,837	13,110	1,143	1,059	1,161	13,142	-0.4
EXPORTS.....: WMB Grades (excl. HPB) :...	5,304	5,691	609	493	593	6,392	11.9
MARKET WOOD PULP PRODUCTION - Tons (000).....	8,114	8,565	772	718	720	8,817	4.8
TOTAL WOOD PULP PRODUCTION - Tons (000).....	59,552	61,161	5,307	5,193	5,087	62,097	1.9
WOOD PULP IMPORTS - TONS (000).....	4,650	5,038	466	418	420	5,114	1.8
WOOD PULP EXPORTS - TONS (000).....	4,889	5,528	623	525	504	6,277	18.3
RAW MATERIALS CONSUMPTION - Tons (000)							
..PAPER AND BOARD MILLS : excluding :			March	April	May		
Wood Pulp.....:consumption for:.....	59,475	60,847	5,269	5,131	5,073	61,500	1.1
Waste Paper.....:construction & :.....	17,993	18,860	1,615	1,555	1,624	18,895	0.0
TOTAL.....: WMB grades :.....	77,468	79,707	6,884	6,686	6,697	80,395	0.9
PULPWOOD CONSUMPTION Cords(000)Amer.Pulpwd. Assn	93,946	95,497	8,169	8,040	8,112	97,238	1.3
EMPLOYMENT (000)			April	May	June		
Paper and Allied Products.....Total.....	680.1	692.6	692.1	694.5	703.1	694.3	0.8
Pulp, Paper and Board Mills.....Total.....E	244.9	245.5	244.3	245.8	249.6	245.8	0.2
AVERAGE HOURLY EARNINGS OF PRODUCTION WORKERS ($)			April	May	June		
Paper and Allied Products.....	11.43	11.66	11.83	11.89	11.93	11.84	2.2
Pulp, Paper Mills.....E	14.01	14.31	14.58	14.63	14.65	14.56	2.7
Paperboard Mills.....E	14.30	14.49	14.51	14.66	14.69	14.58	1.1
CAPITAL EXPENDITURES, PAPER & ALLIED PRODUCTS			1988 Q4	1989 Q1	1989 Q2		
(Rept. by US Dept. of Com., Ann. Rates, Bill.$)*	9.01	11.23	12.53	14.21	14.46	15.12 Y	34.6
INDEX OF OUTPUT PER MAN-HOUR (1977=100).....			April	May	June		
:IN PULP, PAPER :...Production Workers.....	145.0	148.7	149.0	147.9	145.1	149.7	0.4
:AND BOARD MILLS:...All Employees.....	141.8	146.1	145.4	144.8	142.2	146.3	-0.2
PAPER AND ALLIED PRODUCTS (Million $)			March	April	May		
Industry Shipments (Dept. of Commerce)*.....	118,855	127,718	10,896	10,927	10,922	130,764	2.1
Pulp, Paper and Paperboard*.....	51,518	57,177	4,812	4,871	4,923	58,550	1.3
Inventories (End of Period) - Total Industry*..	11,284	12,065	11,905	11,943	12,036	12,036	5.7
Pulp, Paper and Paperboard*.....	4,266	4,325	4,546	4,610	4,676	4,676	18.2
			1988 Q3	1988 Q4	1989 Q1		
Sales (Corporations Only).....	95,576	107,221 RS	27,394	26,990	27,281	109,124	6.7
Earnings (Corporations Only).....	5,520	8,081 RS	2,227	1,911	1,979	7,916	13.4
Depreciation (Corporations Only).....	4,279	4,625 RS	1,163	1,167	1,187	4,744	1.5
Net Worth (Corporations Only).....	39,217	42,340 RS	43,022	42,940	44,093	44,093	9.6
PRICE INDEXES (Bureau of Labor Stats)1982=100			April	May	June		
Pulp, Paper & Products, ex. Building Grades....	114.3	124.7	132.7	133.3	133.1	132.0	8.1
Wood Pulp.....	111.6	136.7	155.7	158.4	158.3	154.9	18.6
Waste Paper.....	181.4	181.5	159.1	158.2	157.7	158.2	-16.7
Paper.....	111.5	123.2	131.3	131.0	131.0	130.5	9.4
Paperboard.....	118.1	133.2	143.8	143.5	141.3	141.1	6.0
PAPER DEMAND (INDEXED: 1977=100)			April	May	June		
Total Paper Production *.....	133.4	138.2	132.4	136.6	132.0	136.2	-1.6
Paper New Supply *.....	140.2	144.3	137.4	142.8	137.4	141.1	-2.6
Demand Indicators - (Weighted Average) *.....	154.5	163.7	174.7	174.6	175.4	173.5	7.8
Production of Nondurable Goods *...(21.2%).	136.8	143.9	149.2	149.2	149.3	148.8	4.9
Disposable Income .....*.(23.9%)	130.0	134.9	139.0	139.5	140.1	139.5	4.4
Total Printing and Publishing *...(54.9%).	172.0	183.8	200.0	199.6	200.9	197.8	9.7
Trend Factor	----------	----------	Not Available			----------	----------
PAPERBOARD DEMAND (INDEXED: 1977=100)							
Total Paperboard Production *.....	129.2	131.6	134.1	131.2	134.3	133.2	0.5
Production for Domestic Use	126.1	129.0	130.7	128.5	131.1	130.4	0.6
Demand Indicators - (Weighted Average) *.....	125.9	132.5	137.1	136.7	136.3	136.5	4.6
Production of Consumer Goods *...(62.06%)	127.7	133.9	139.2	138.7	138.3	138.6	5.1
Production of Equipment *...(5.75%)	148.8	158.2	164.3	164.8	164.7	163.2	4.4
Production of Materials *...(32.19%)	118.3	125.3	128.1	127.8	127.3	127.7	3.6
Trend Factor	----------	----------	Not Available			----------	----------
NEWSPRINT MARKETS			March	April	May		
Consumption by Publishers - Tons (000).....	13,583	13,597	1,162	1,164	1,150	13,363	-0.2
Newspaper Pub. and Printing Empl. Total(000)...	471	475	475	475	475	476	0.6
PRINTING AND FINE PAPER MARKETS							
MAGAZINE ADVERTISING PAGES (PIB, Inc.).....	164,771	168,835	15,409	16,646	16,120	175,222	3.6
WHOLESALERS SALES AND INVENTORIES (Million $)							
Total Paper & Pap. Prdcts.,ex Wallpaper..Sales	44,741	52,377	4,907	4,482	4,651	54,590	9.9
Inventories (End of Period).	3,850	4,436	4,563	4,577	4,658	4,658	16.5
FIBRE BOX DATA (Fibre Box Association)			April	May	June		
Fibre Box Shipments (Million square feet).....	297,827	308,507	26,401	26,762	26,391	314,112	1.8
Container'bd Inventory at Mill & Plant(000Tons).	2,486	2,553	2,564	2,495	2,526	2,526	-3.5
RETAIL TRADE (Billion $)			April	May	June		
Total Retail Sales *.....	1,511	1,612	141.4	141.3	140.8	1,685	6.1
Nondurable Goods Stores Sales *.....	950	998	87.5	87.6	87.8	1,044	6.9
GENERAL ECONOMIC DATA			April	May	June		
TOTAL INDUSTRIAL PRODUCTION (INDEX 1977 = 100)*..	129.8	137.2	141.6	141.4	141.1	141.0	4.3
PRODUCER PRICES(ALL COMMODITIES)(INDEX 1982=100).	102.8	106.9	112.3	113.1	112.8	111.8	5.9
CONSUMER PRICES (ALL ITEMS) (INDEX 1982-4=100)...	113.6	118.3	123.1	123.8	124.1	122.7	5.0
			March	April	May		
TOTAL CONSUMER CREDIT OUTSTANDING - (Billion $)..	618.2	671.4	682.1	693.7	691.4	691.4	10.3
GROSS NATIONAL PRODUCT - ANNUAL RATE (Billion$)..			1988 Q4	1989 Q1	1989 Q2		
G.N.P. or Expenditure - Current $.....	4,524	4,881	5,017	5,113	5,195	5,154	7.6
G.N.P. or Expenditure - 1982 $.....	3,854	4,024	4,069	4,107	4,124	4,115	3.1

lb/capita
Pap&Papbd Othr Totl Popul(mil)
.a - 669 + 17 = 686 243.9
.b - 681 + 17 = 698 245.5
.c - 673 + 17 = 690 245.5
.E - Last month estimated by API

f - Wood Pulp Production excludes def., explo. & scrngs.
g - Adjusted for holiday shutdowns
h - First 3 quarters, annual rate
Q - Quarter

R - Ravised
Y - Full year estim. by U.S. Dept. of Com.
RS - Revised Series
* - Seasonally Adjusted.